

GREENBERG QUINLAN ROSNER RESEARCH

PUBLIC OPINION STRATEGIES 

July 19, 2006

Public Recognizes Debt as a Fast Growing Problem in U.S.



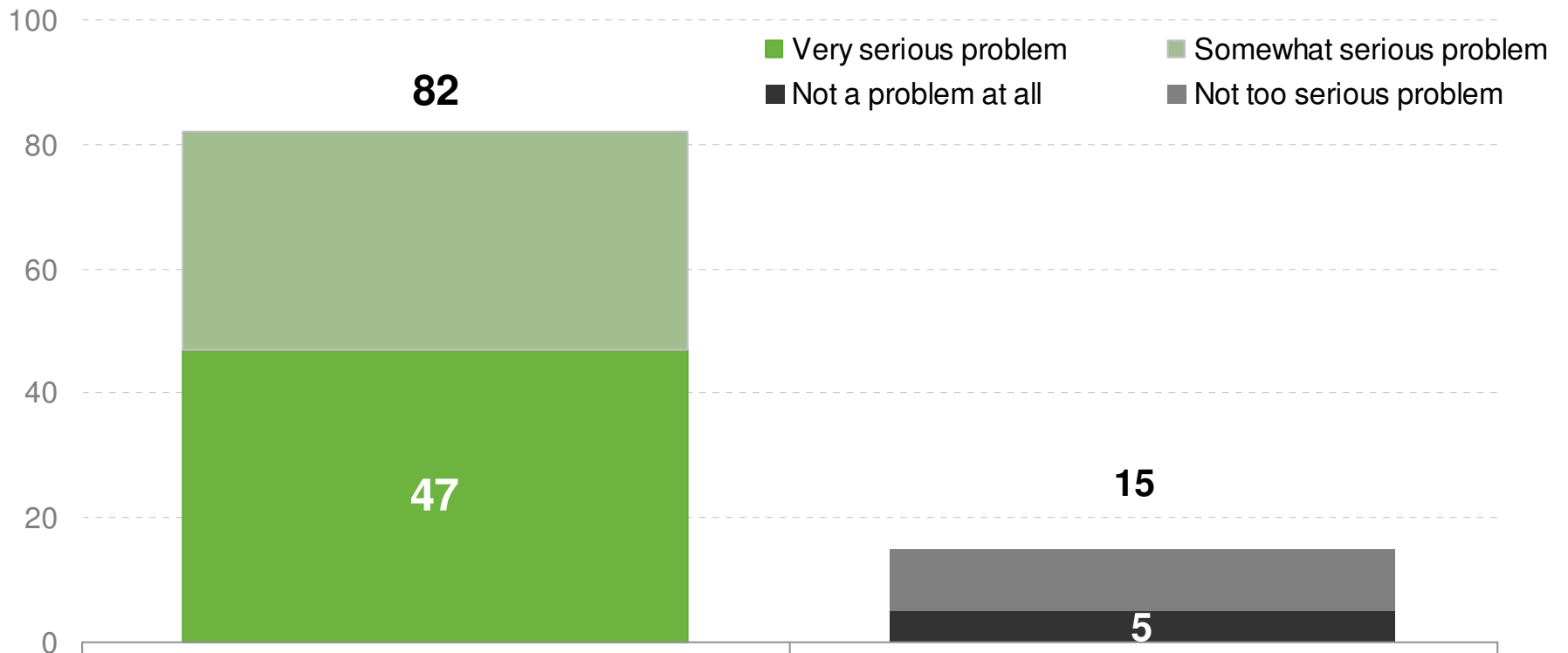


Survey Specifications

- This presentation represents the views of 1,000 adults, ages 18 and over.
- The survey was conducted between April 13 and 20, 2006 and carries a margin of error of +/- 3.1 percent.

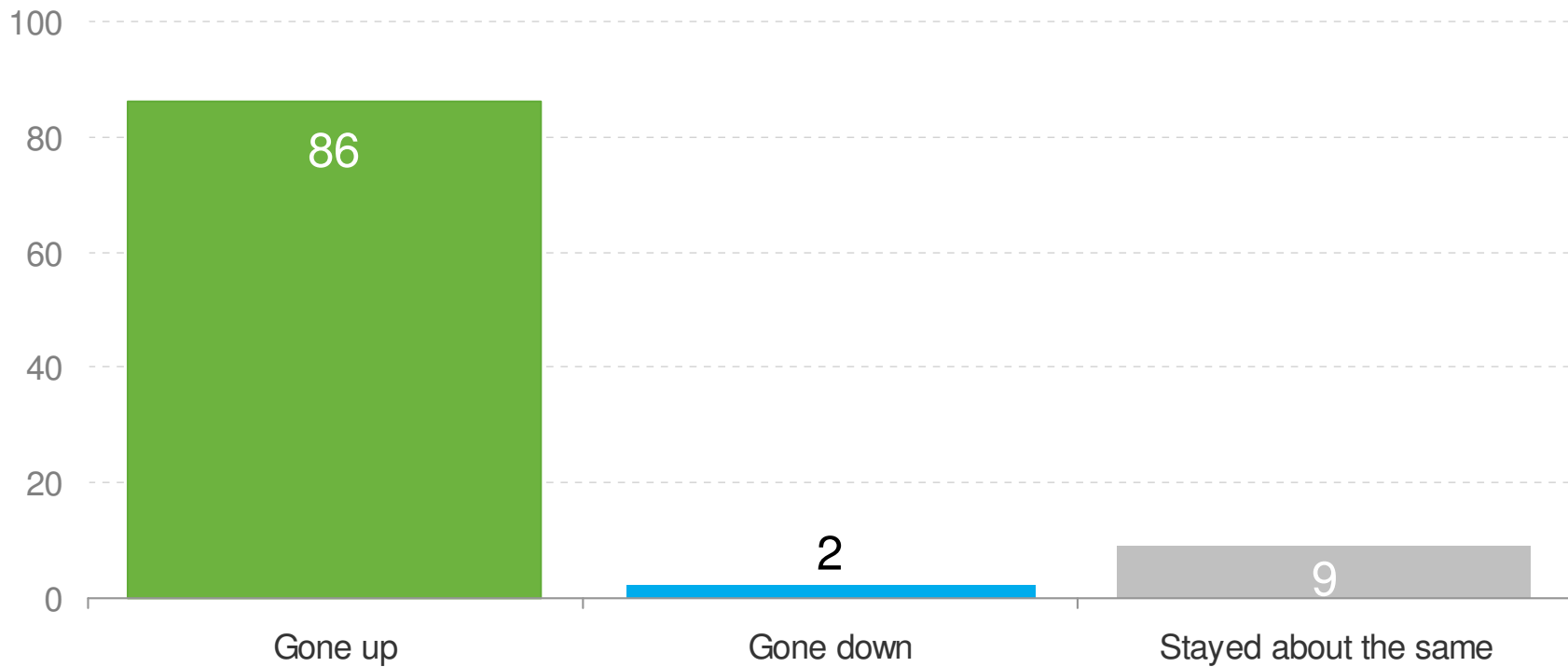
The public recognizes the seriousness of the debt problem

How would you describe the issue of household debt on things like credit cards, car loans, home mortgages and payday loans in this country – a very serious problem, a somewhat serious problem, not too serious a problem, or not a problem at all?



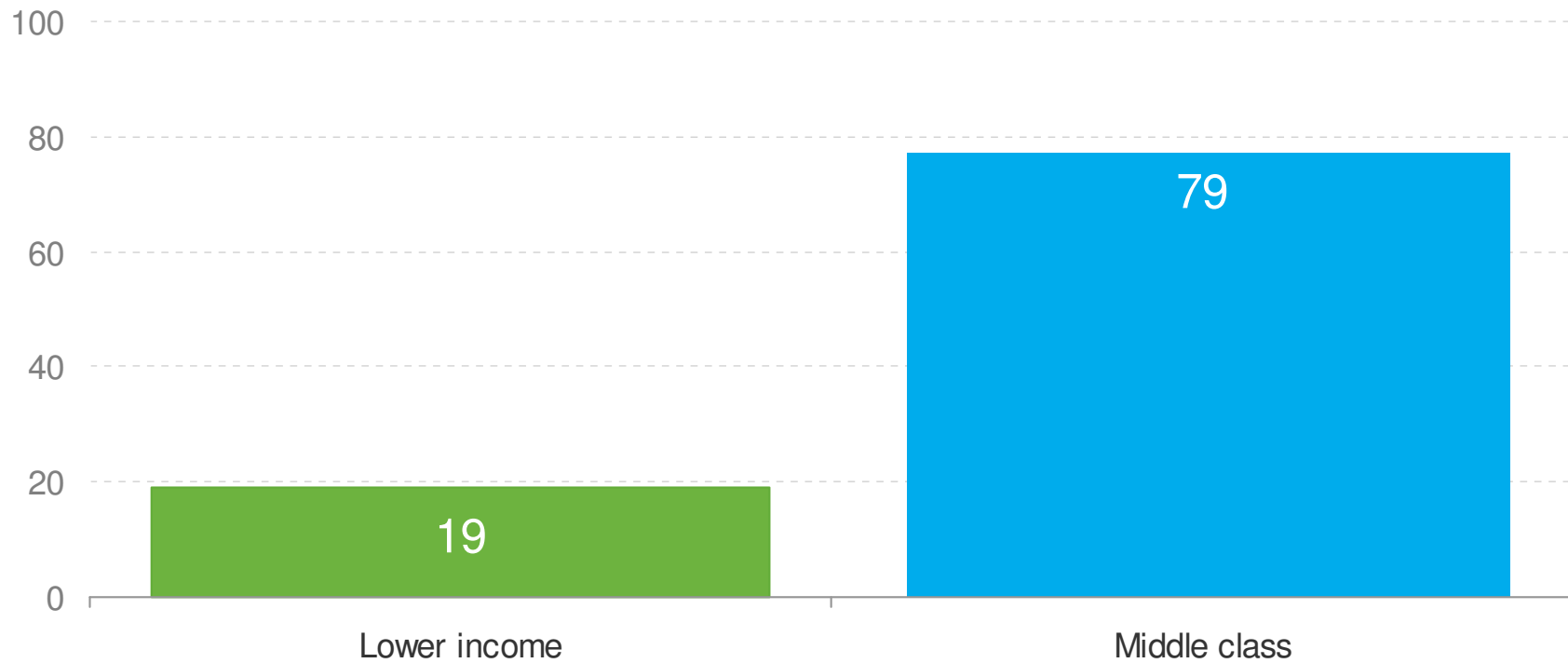
The public believes the problem is getting worse

Over the past five years, do you believe the number of Americans having trouble with household debt on things like credit cards, car loans, pay-day loans and home mortgage loans has gone up, gone down or stayed about the same?



Debt is a middle class problem

Do you believe the problem of rising household debt in this country is primarily a problem for lower income families or do you believe the problem of debt is also a problem for middle class families, say, those earning around \$50,000 a year?



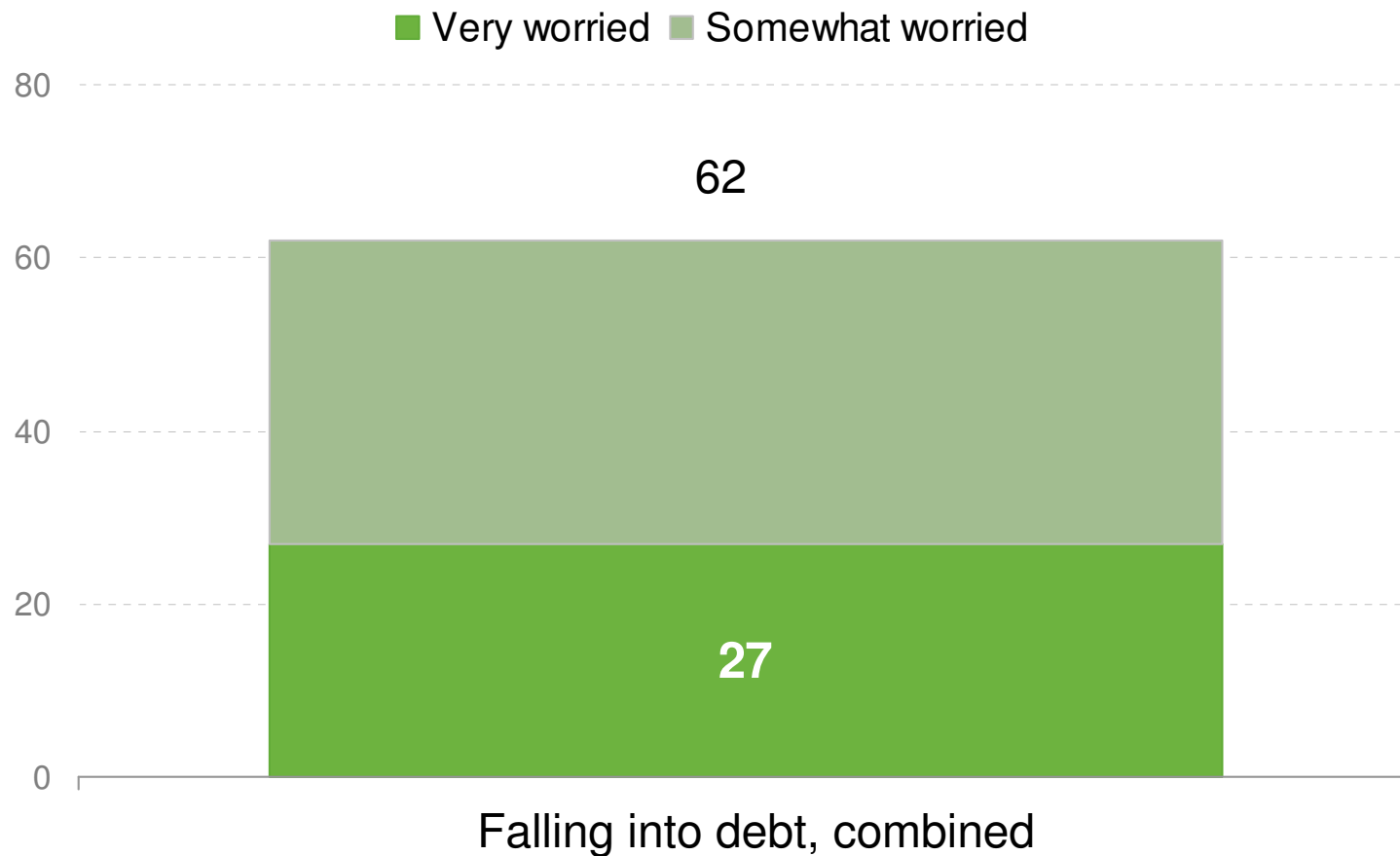
Public more worried about debt than terrorist attacks

For the following list, please tell me how worried you are that this might happen to you personally.

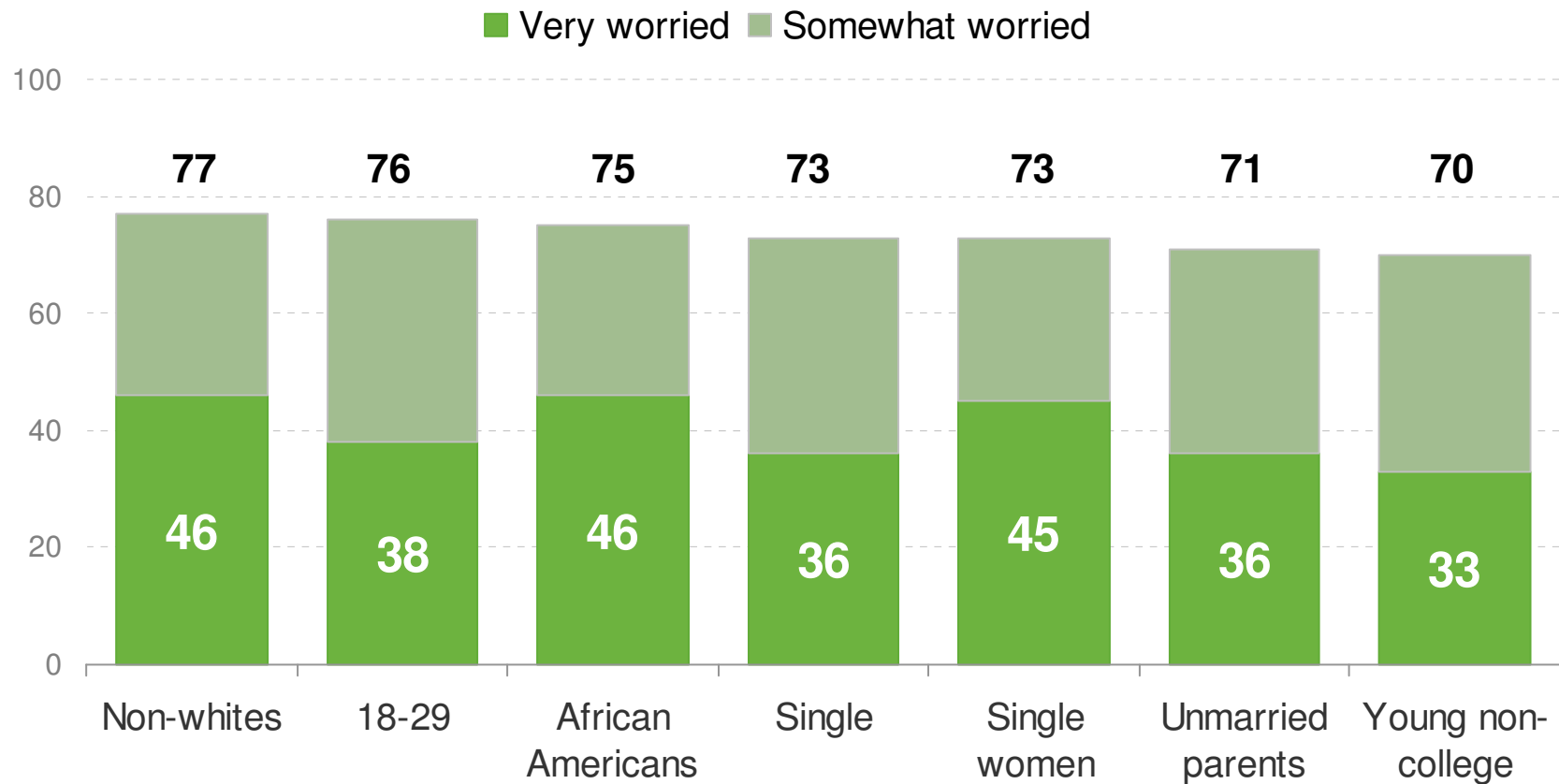
	Total Worried	Very Worried
Being the victim of Identity theft	69	21
Not being able to have a secure retirement	56	30
Getting cancer	50	18
Not having enough money to pay all your bills	48	19
Falling deep into debt because of medical expenses	44	15
Losing your house in a natural disaster, like an earthquake, fire, tornado, or hurricane	38	11
Being the victim of a violent crime, like rape or assault	35	11
Being hurt or killed in a major terrorist attack, similar to September 11 th	33	11
Having to take on a lot of debt to pay for college	27	12
Falling deep into debt from paying high interest rates on your mortgage	24	10
Falling behind on your mortgage and losing your home	23	10
Falling deep into debt from credit card payments	23	9
Having to file for bankruptcy	16	8

Combining all the debt related challenges, including medical, education, and credit card, a majority indicate some concern about some debt-related problem

For the following list, please tell me how worried you are that this might happen to you personally.

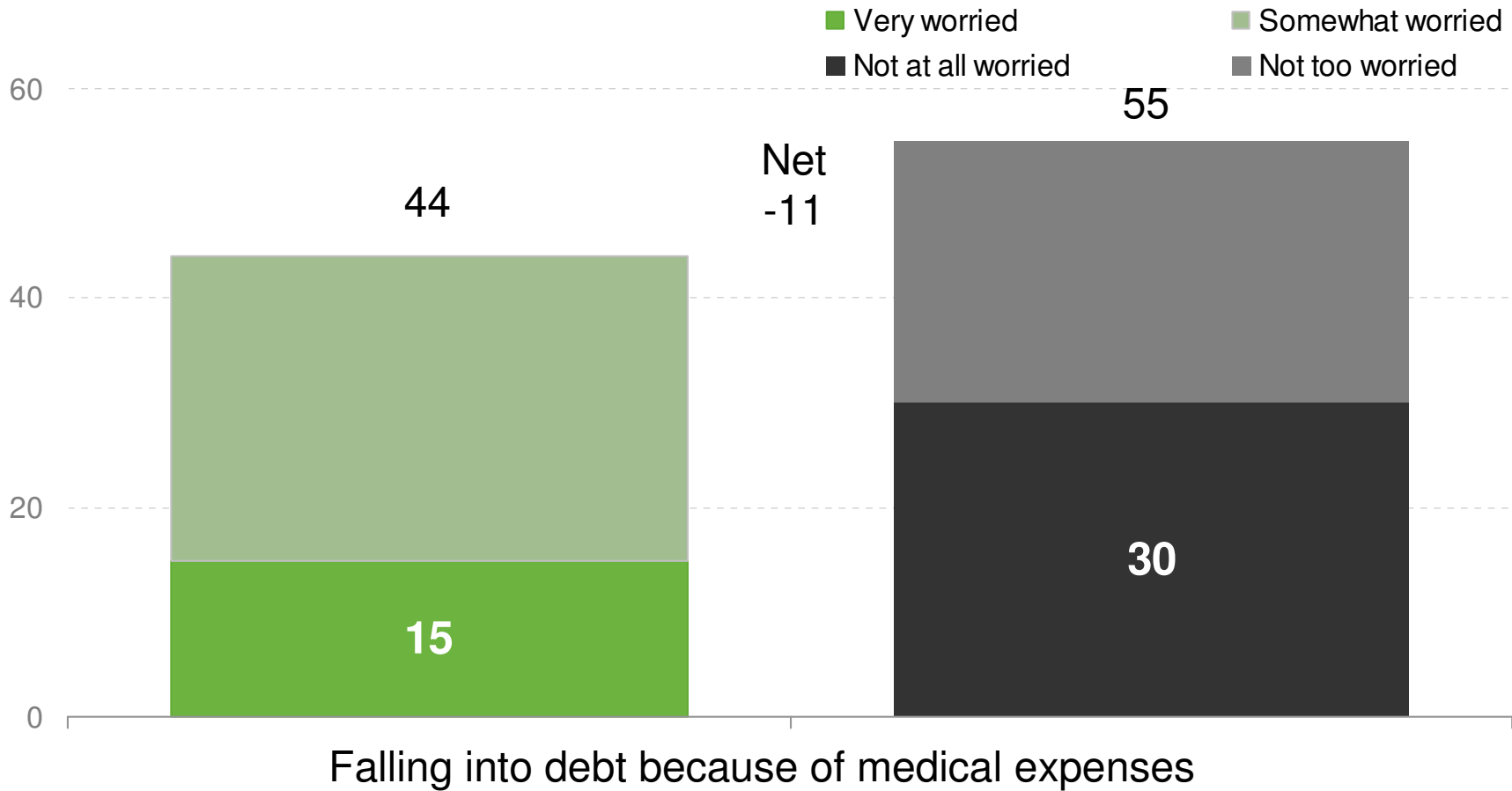


Debt concern most acute among young, single and minorities



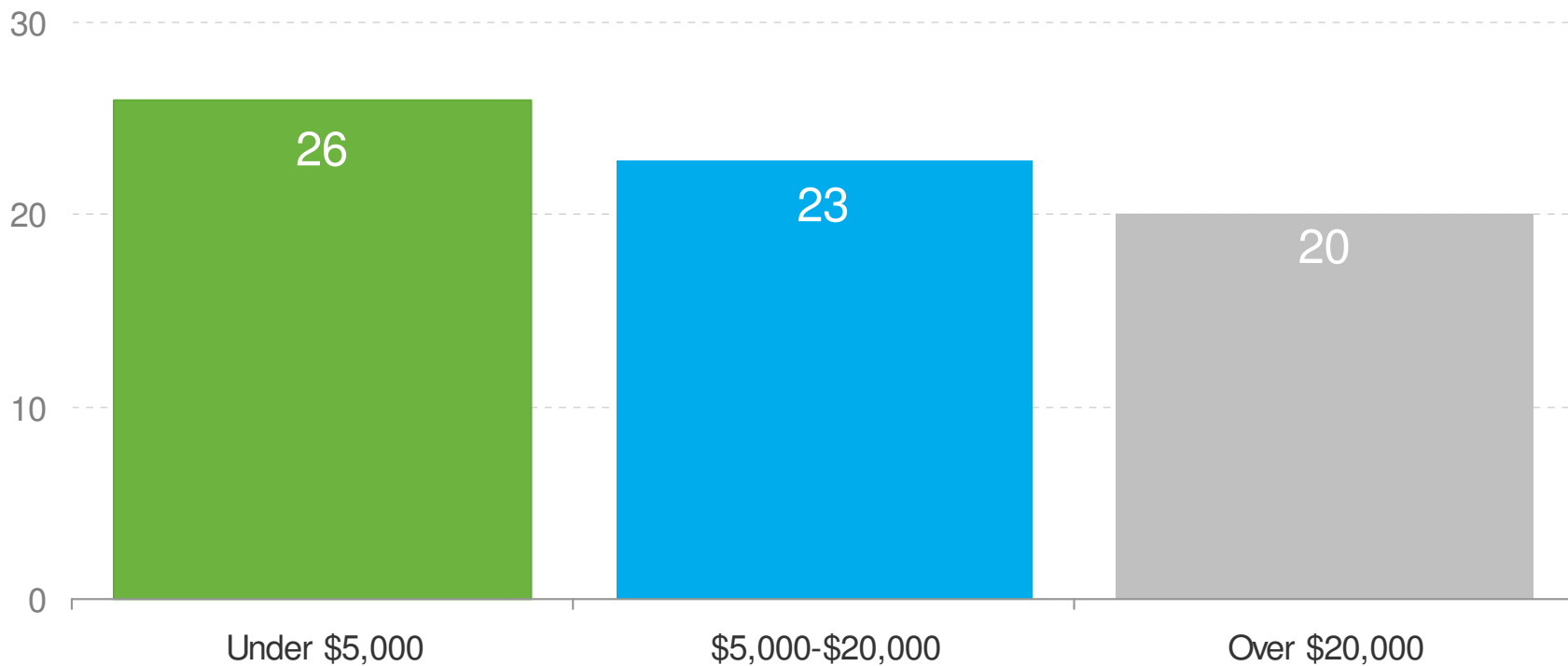
Medical debt in particular worries the public.

For the following list, please tell me how worried you are that this might happen to you personally.



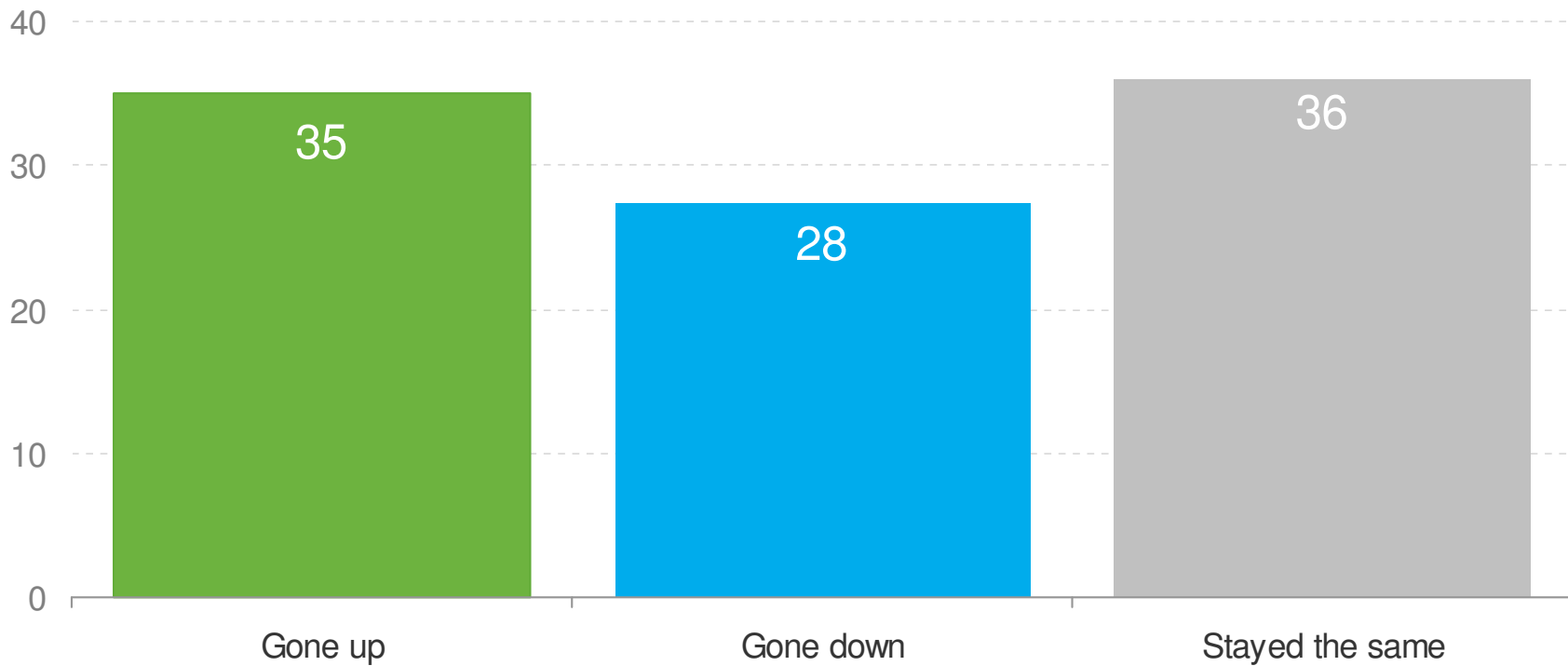
Concern about debt also reflects a notably high level of self-reported indebtedness

About how much debt do you currently carry? This would include things like credit cards, car loans, student loans, doctor and hospital bills, finance companies, home equity loans and educational loans.



One third of the public reports growing debt

Generally speaking, has your level of debt gone up, gone down or stayed about the same over the last five years?



Reasons are both voluntary and involuntary

Can you tell me why you think your debt has increased?

Voluntary reasons for debt

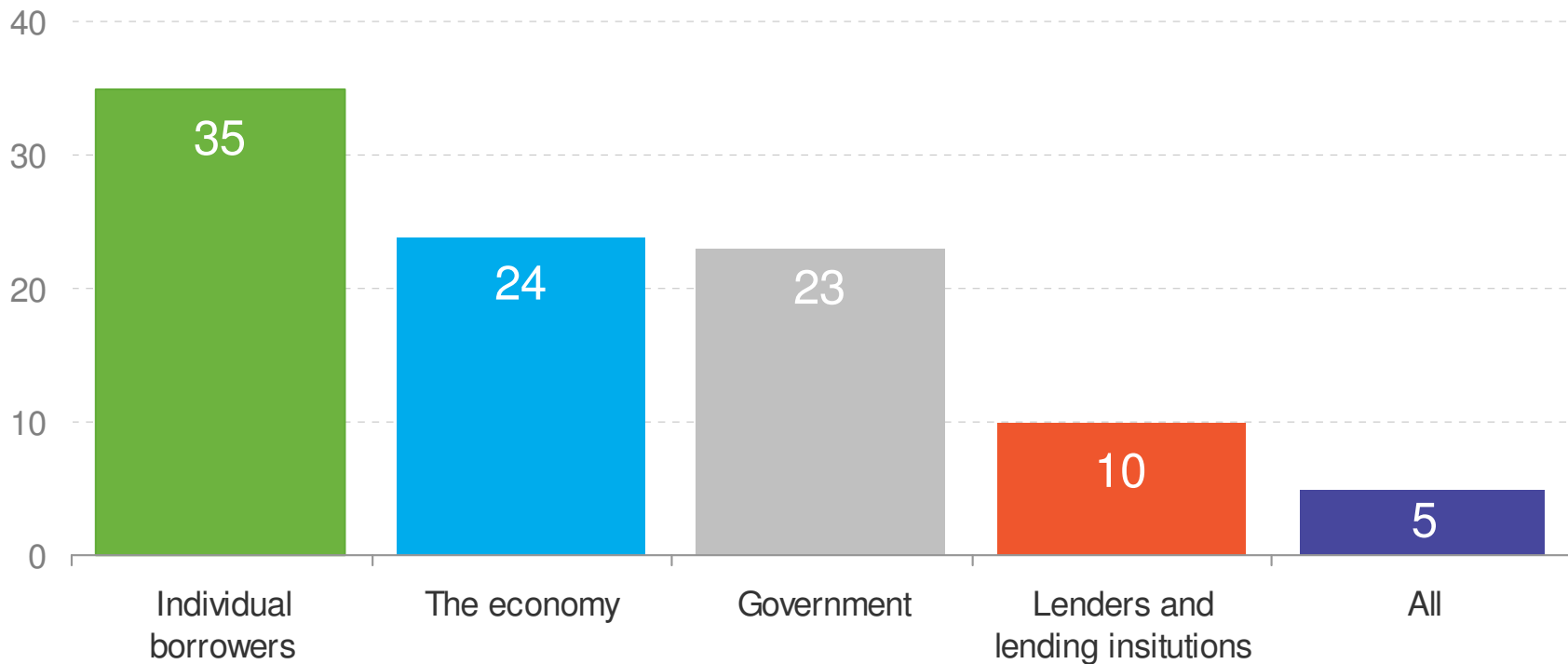
Car loans/new car	11
College loans/payments	11
Poor spending habits/budgeting	6
House loan/New House/New move	5
Credit cards	4
Children in college	3
Remodel house	2
Total	42

Involuntary reasons for debt

Cost of living increase/price increase	14
Low wages/stagnant salaries	10
Unemployed	9
Interest rates increase	8
Energy	5
Childcare/Raising children/ growing family	5
Medical costs	5
Loans/Mortgage general	5
Economy	5
Gas prices	3
Total	69

Individuals, of course, assume the most responsibility for the debt problem

And what do you think is the most responsible for this problem: the economy, government, individual borrowers, or lenders and lending institutions?



Public very open to policy solutions to the debt problem, particularly solutions that attempt to educate and empower borrowers to make better decisions

Please tell me if you favor or oppose the following suggestions for addressing the household debt problem

	Strongly Favor	Total Favor
Providing more incentives for people to save money.	77	93
Creating stronger requirements that companies explain their charges in simple, uncomplicated language.	76	92
Cracking down on abusive practices by lending companies.	74	87
Lowering the cost of living with things like affordable health care, housing assistance and low-cost student loans.	70	88
Providing more education and counseling to consumers.	69	92
Passing rules that would prevent lending institutions from engaging in abusive practices that would put consumers in unaffordable debt.	69	85
Putting a cap or limit on the rate of interest credit card companies can charge, even if it means some people will not have access to credit cards.	65	83
Providing an easy to understand government rating system on financial products that tells people how fair a product is to consumers.	62	86
Banning credit card companies from raising your interest rates if you make all your payments on time, even if you miss payments on other debts you owe.	61	77
Increasing competition by giving incentives to reputable lending institutions to compete with pay-day lenders in low-income neighborhoods.	41	67

Support for policy solutions cuts across partisan and educational lines

	Democrats Favor	Republicans Favor	H.S. or Less Favor	College Graduate Favor
Providing more incentives for people to save money.	94	93	91	95
Creating stronger requirements that companies explain their charges in simple, uncomplicated language.	91	92	90	93
Cracking down on abusive practices by lending companies.	87	82	81	93
Lowering the cost of living with things like affordable health care, housing assistance and low-cost student loans.	96	81	88	86
Providing more education and counseling to consumers.	96	91	92	94
Passing rules that would prevent lending institutions from engaging in abusive practices that would put consumers in unaffordable debt.	87	82	81	90
Putting a cap or limit on the rate of interest credit card companies can charge, even if it means some people will not have access to credit cards.	85	84	81	85
Providing an easy to understand government rating system on financial products that tells people how fair a product is to consumers.	88	84	85	87
Banning credit card companies from raising your interest rates if you make all your payments on time, even if you miss payments on other debts you owe.	78	77	71	82
Increasing competition by giving incentives to reputable lending institutions to compete with pay-day lenders in low-income neighborhoods.	71	67	68	65

Please tell me if you favor or oppose the following suggestions for addressing the household debt problem.

Support for policy solutions cuts across gender lines as well

Please tell me if you favor or oppose the following suggestions for addressing the household debt problem

	Men Favor	Women Favor
Providing more incentives for people to save money.	92	94
Creating stronger requirements that companies explain their charges in simple, uncomplicated language.	91	92
Cracking down on abusive practices by lending companies.	86	88
Lowering the cost of living with things like affordable health care, housing assistance and low-cost student loans.	84	91
Providing more education and counseling to consumers.	92	93
Passing rules that would prevent lending institutions from engaging in abusive practices that would put consumers in unaffordable debt.	83	86
Putting a cap or limit on the rate of interest credit card companies can charge, even if it means some people will not have access to credit cards.	82	84
Providing an easy to understand government rating system on financial products that tells people how fair a product is to consumers.	85	86
Banning credit card companies from raising your interest rates if you make all your payments on time, even if you miss payments on other debts you owe.	75	79
Increasing competition by giving incentives to reputable lending institutions to compete with pay-day lenders in low-income neighborhoods.	71	63

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